

**Questions and Answers on the**

**Notice of Funding Availability**

**"Real Choice Systems Change Grants"**

**Offered By The:**

**Centers for Medicare & Medicaid Services  
CFDA No. 93.779**

**05/26/04**

**PART ONE: QUESTIONS CONCERNING PROVISIONS THAT APPLY TO ALL  
REAL CHOICE SYSTEMS CHANGE GRANTS.**

**1. What is the purpose of the Real Choice Systems Change grants?**

The Real Choice Systems Change grants are intended to foster systems changes to enable children and adults of all ages who have a disability or long-term illness to:

- a) Live in the most integrated community setting appropriate to their individual support requirements and preferences;
- b) Exercise meaningful choices about their living environment, the providers of services they receive, the types of supports they use and the manner by which services are provided; and
- c) Obtain quality services in a manner as consistent as possible with their community living preferences and priorities.

The emphasis of these grants is on the infrastructure that leads to enduring systems change. Provision of direct services is not the primary purpose of these grants.

**2. When were the "Systems Change Grants" previously awarded?**

In FY 2001, FY 2002, and FY 2003 the Congress appropriated funds for the "Real Choice Systems Change Grants" specifically to improve community-integrated services. To date, the Centers for Medicare & Medicaid Services (CMS) has provided \$158 million to help 49 states, the District of Columbia, and two Territories design and implement enduring improvements in community long-term support programs. With this support, states are continuing to address issues such as personal assistance services, direct service worker shortages, transitions from institutions to the community, respite service for caregivers and family members, and better transportation options.

**3. How are the FY 2004 Real Choice Systems Change grants different from those offered before?**

The FY 2004 Real Choice Systems Change Grants represent a further expression of support for states' efforts to provide additional or improved services and supports for community living. These grants support the President's *New Freedom Initiative*, states' efforts to fulfill the requirements of the ADA, and the long-standing desire of people of any age who have a disability or long-term illness to live and participate in their communities with dignity and value. For additional information on the President's *New Freedom Initiative*, please visit our New Freedom Initiative Web site at: <http://www.cms.hhs.gov/newfreedom>.

Some of these grants are intended to assist states in exploring how to best address problems in specific topic areas such as integrating long-term supports with accessible, affordable housing or enhancing their quality management systems. Other grants are intended as catalysts for the development of specific home and community-based waivers or for the development of quality assurance and quality improvement systems within existing home and community-based waivers. Still other grants build on previous grant opportunities by enabling states to address comprehensive systems reform efforts.

#### **4. What are the grant opportunities that are part of the FY 2004 notice of funding availability?**

Nine grant opportunities comprise this round of Real Choice Systems Change Grants and are the subject of this invitation to apply; they are:

1. Quality Assurance & Quality Improvement in Home and Community Based Services (HCBS)
2. Integrating Long-term Supports with Affordable Housing
3. Portals from Early Periodic Screening, Diagnosis, and Treatment (EPSDT) to Adult Supports
4. Comprehensive Systems Reform Effort
5. Mental Health: Systems Transformation
6. Rebalancing Initiative
7. Living with Independence, Freedom, and Equality (LIFE) Account Feasibility and Demonstration
8. Family-to-Family Health Care Information and Education Centers
9. National State-to-State Technical Assistance Program for Community Living.

#### **5. What are the amounts of funding available for each grant opportunity?**

The *Federal Register* notice of May 18, 2004 announced the availability of approximately \$31 million in grant funding for the Real Choice Systems Change Grants for FY 2004. We anticipate making approximately 46-76 grants to states and others in nine categories. For information regarding grant opportunities and funding amounts, please refer to the table, "Real Choice Systems Change Grants—FY 2004," found on page 32 of the solicitation package, and in the table in the *Federal Register* notice that announces these grant opportunities. In these tables, the amounts listed in the "maximum award" and "anticipated average award" columns refer to an amount that spans the entire project period (i.e., up to 36 months) and not an annual award amount renewable every 12 months.

States that received a Quality Assurance and Quality Improvement in Home and Community-Based Services grant in FY 2003 (i.e., California, Colorado, Connecticut, Delaware, Georgia, Indiana, Maine, Minnesota, Missouri, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin) are not eligible for a Quality Assurance & Quality Improvement in HCBS grant award from CMS in FY 2004.

No CMS Family-to-Family Health Care Information and Education grant awards in FY 2004 will be made to any non-profit organization within a state that already has an entity that:

1. Was awarded a Family-to-Family Health Care Information and Education grant in FY 2003 (i.e., Alaska, Colorado, Indiana, Maryland, Montana, Nevada, New Jersey, South Dakota, Wisconsin) or
2. Currently operates a Family-to-Family Health Care Information and Education Center funded through the Health Resources and Services Administration (HRSA) (i.e., California, Florida, Maine, Minnesota, Tennessee, and Vermont).

States that received a Money Follows the Person Rebalancing Initiative grant in FY 2003 (i.e., California, Idaho, Maine, Michigan, Nevada, Pennsylvania, Texas, Washington, and Wisconsin) that plan to apply for a Rebalancing Initiative grant are strongly cautioned that CMS will not fund applications that propose activities that are currently funded under a state's existing Real Choice Systems Change grant, regardless of the applicant's ranking, as detailed in the "Eligibility Information" section of the notice.

## **6. Who may apply?**

There are several types of applicants who are eligible to apply for these grants, including states, state agencies and instrumentalities, and nonprofit and faith-based organizations. To determine the types of grants for which an applicant may be eligible to apply, please refer to page 34 of the solicitation package under the heading "Eligibility Information" and the *Federal Register* notice dated May 18, 2004 that announces these grant opportunities.

## **7. Can a state apply for more than one grant?**

Yes, as discussed on page 34 of the solicitation package and in the *Federal Register* notice that announces these grant opportunities, states may and are encouraged to apply for more than one type of grant. However, CMS will award no more than one grant under any grant category per state.

## **8. Will every state receive Real Choice Systems Change funding?**

We strongly encourage all states to apply for this grant program. However, because of the competitive grant award process, we cannot guarantee that each state will receive funding.

## **9. When are grant applications due?**

The solicitation package states that all grant applications are due by July 17, 2004. As this is a Saturday, all grant applications are due by **Monday, July 19, 2004** as stated in the *Federal Register* notice.

**10. When will grant awards be made?**

All grant awards will be made on or before September 30, 2004.

**11. What is the budget period for the Real Choice Systems Change Grants?**

Grantees may expend grant funds over a 36-month period from the date of award. Applicants may always propose projects with a shorter project period. Applicants should submit a budget based on total costs for their entire proposed grant period, not to exceed 36 months.

**12. Are “matching” funds required?**

Yes. As discussed on page 34 of the solicitation package, Grantees are required to make a contribution of 5% of the total grant award. This requirement may be met through a cash or non-cash match and is consistent with the FY 2001, FY 2002, and FY 2003 Systems Change grant awards.

**13. Will there be an Applicants’ Teleconference?**

Yes. Information regarding the time and call-in number for the applicants’ teleconference will be available on the CMS website at [www.cms.hhs.gov/newfreedom](http://www.cms.hhs.gov/newfreedom).

**14. Do any of the grant applications have to be submitted through the states’ “Single Point of Contact” or SPOC?**

No. Executive Order (E.O.) 12372, "Intergovernmental Review of Federal Programs," does not apply to these grants.

**15. How will “overhead expenses” or “indirect costs” be paid?**

Reimbursement of indirect costs under this grant opportunity is governed by the provisions of OMB Circular A-87. A copy of OMB Circular A-87 is available online at:

<http://www.whitehouse.gov/omb/circulars/a087/a087.html>.

Additional information regarding the Department's internal policies for indirect rates is available online at <http://www.hhs.gov/grantsnet/adminis/gpd/gpd301.htm>.

**16. Does any funding received, under this grant opportunity, contribute towards the overall Medicaid cap for The Commonwealth of the Northern Mariana Islands, Guam, the U. S. Virgin Islands, Puerto Rico, and American Samoa?**

No. Grant funds are available regardless of the cap. Grant funding will not contribute towards the overall cap imposed on the territories.

### **17. Can grants funds be used to provide direct services?**

There are only two grant categories that may use a portion of grant funds to provide direct services to consumers:

- The Quality Assurance & Quality Improvement Systems in Home and Community Based Services (HCBS) grants will allow for up to **10% of grant funds** to be used to provide direct services to individuals with a disability or long-term illness; and
- The Integrating Long-term Support with Affordable Housing grants will also allow for **up to 10% of grant funds** to be used to provide direct services to individuals with a disability or long-term illness.

### **18. Who will review the grant applications?**

The review panels will consist of Federal employees, individuals who are elderly or have a disability, and knowledgeable individuals outside of the Federal government with expertise in developing long-term services and support systems.

### **19. Is there a specified page limit for each type of grant? What about attachments?**

A separate grant application must be submitted for each type of grant, as each application must stand on its own merits. The specified page limits for each type of grant application can be found in the solicitation package in section IV, “Application and Submission Information” (pp. 37-38).

Attachments other than those required will not be scored. Therefore, applicants should include any information they consider substantive and that they want to be used by reviewers in scoring their application in the body of their application and within the specified page limit.

### **20. If a state receives funding under more than one grant, will the state be asked to coordinate the different programs? If so, can the National State-to-State Technical Assistance Program for Community Living help in that coordination?**

Each state is expected to take a comprehensive look at the long-term care system in their state and focus the application to identified areas of need. If the state receives more than one grant, we expect that these grants will be coordinated to the fullest extent possible, particularly if the target group(s) served overlap. After grant awards are made, Grantees may request technical assistance to help with grant coordination activities, however, coordination activities are primarily the Grantees’ responsibility.

### **21. Do Real Choice Systems Change Grants refer only to Medicaid systems?**

Activities must focus on the Medicaid-eligible populations and the systems that support them, although the proposed systemic changes may impact individuals who are not Medicaid eligible.

### **22. Do proposed changes to the long-term care system have to be available statewide?**

“State wideness” is not a requirement for activities under these grants. We hope that, given the anticipated size and duration of the awards, programs will be designed to have the maximum impact on the greatest number of consumers. We realize that in undertaking systems change, larger initiatives can grow from initially smaller scale endeavors.

**23. How can consumers and other stakeholders be involved in these grant projects?**

Individuals with a disability and other stakeholders should have continuous, active involvement in the project’s design, implementation, and evaluation. Opportunities for involvement might include membership in a project’s consumer task force, as project staff, and as part of a direct feedback loop to constantly evaluate quality. Additionally, partner agencies may be actively involved in the planning and implementation of the projects.

**24. How can I ask further questions about the Notice of Funding Availability?**

Please send questions to our e-mail address at: **RealChoiceFY04@cms.hhs.gov**.

**25. How can I ask further questions about the application form and related materials?**

Questions regarding application forms and related materials may be directed to:

Real Choice Systems Change Grants  
Attn: Judy Norris  
Centers for Medicare & Medicaid Services  
OICS, AGG, Grants Management Staff  
Mail Stop: C2-21-15  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850  
(410) 786-5130  
E-mail: jnorris1@cms.hhs.gov

**26. Where can I find a suggested format for the Biographical Sketch that is referenced on page 40 of the solicitation package, and part of the required Appendices?**

The biographical sketch form can be found on the CMS Web site at:  
<http://cms.hhs.gov/states/letters/biograph.pdf>

If you choose not to use this form, please substitute abbreviated resumes or curriculum vitae.

**27. Is a notice of intent to apply required?**

No. Submitting a Notice of Intent to Apply is completely voluntary and does not bind the state or organization to apply nor will it cause a proposal to be reviewed more favorably. However, we appreciate receiving a Notice of Intent from each applicant because the notices will help us

plan our review panels. For a copy of the Notice of Intent to Apply, please see Attachment 1 of the solicitation package.

**28. Can a Notice of Intent to Apply be submitted after the (21 dates after publication in the Federal Register) due date?**

Yes. Any Notices of Intent to Apply received before June 8, 2004 would be appreciated. They help us plan our review panels and provide a sense of how many grant applications to expect.

**29. Is a Notice of Intent to Apply binding?**

No. A Notice of Intent to Apply is not binding. A potential applicant may indicate that it intends to submit a proposal, and then, for whatever reason, choose not to do apply. Additionally, one state agency might submit a letter of intent, but another state agency might ultimately submit a proposal.

**30. With the System Change Grants, can we send one Notice of Intent to Apply that combines all the grants we intend to apply for?**

Our preference is for separate Notices of Intent to Apply using the form furnished in Attachment 1 of the solicitation package.

**31. Do you have any preference for who signs the Notice of Intent to Apply?**

That is a matter for each applicant to decide.

**32. Will you accept the faxed Notice of Intent to Apply?**

Yes. Notices of Intent to Apply may be faxed to 410-786-9004, Attention: Sona Stepp.

**33. Could a state develop a small project to enhance service availability in only one area using Medicaid dollars?**

A state could use grant or other external funds for this purpose but cannot use Medicaid dollars unless the applicable Medicaid authority is obtained. Under this grant, a state could design a state plan amendment or an application for a §1115 demonstration or a §1915(c) waiver. The resulting state plan amendment, demonstration, or waiver would be operated using Medicaid dollars.

**34. Must territories provide matching funds?**

Yes. The territories must also provide matching funds. As is the case for all other applicants, the match can also be in-kind or non-financial.

**35. How do you define instrumentality of the state?**

Whether a particular entity is a state instrumentality (i.e., has the authority to act on behalf of the state) is determined under state law, not Federal law. (See page 34 of the solicitation package for additional information.)

We suggest if you have questions concerning whether your organization or agency is an instrumentality of your state that you contact your State Attorney General's Office.

**36. Could a coalition of states apply for these grants? If so, would the current grant limits apply?**

States that would like to use these grant funds for joint ventures may do so using one of two options:

- CMS will consider an application submitted by one state that will fund a multi-state effort. However, the maximum grant award included in the application would still apply. Thus an application that one state submitted for a "Mental Health: Systems Transformation" initiative involving three states would only be eligible for a maximum grant award of \$750,000.
- Each state in a collaborative effort could independently submit parallel proposals. Under this scenario, each state submitting an application would be eligible up to the maximum grant award. States submitting parallel applications should ensure that each application stands on its own merits.

**37. If we apply for more than one of the grants, do we have to divide the amount of money? Are limitations on how much you can ask for if you apply for multiple grants?**

No. States may apply for more than one grant.

**38. Can we submit the same scope of work for multiple grants under this Notice of Funding Availability?**

No. CMS will not fund the same scope of work for multiple grants. If a state submits multiple applications with the same scope of work, CMS will review only one of the grant applications that share a scope of work.

**39. Can we use grant funds to pay the grant writer?**

No. Grantees may not use grant funds for this purpose.

**40. Will the deadline for applications be extended?**

No. Unfortunately because of the time needed to process, review, and award grants, we will not be able to extend the application due date.



**41. Where can I find the forms that comprise the application package referred to on page 37 of the solicitation package?**

You may obtain copies of these forms directly from the CMS Web site at:  
<http://www.cms.hhs.gov/researchers/priorities/grants.asp> or <http://www.grants.gov>.

**PART TWO: QUESTIONS SPECIFIC TO EACH TYPE OF REAL CHOICE SYSTEMS CHANGE GRANTS**

**Quality Assurance & Quality Improvement in Home and Community Based Services (HCBS)**

**1. What is quality assurance and quality improvement in HCBS?**

Quality is the degree to which services and supports for individuals and populations (a) increase the likelihood for desired health outcomes and (b) are consistent with current professional knowledge. Quality assurance refers to those compliance-like activities that focus on whether HCBS programs are organized and operate in accordance with applicable Federal, state and local laws, regulations, policies, etc. Although such requirements do not guarantee quality, they establish conditions that likely increase the chances of quality care. Quality improvement activities go beyond minimal requirements and measure the impact of HCBS programs on waiver participants' quality of care, quality of life, functional independence, and health and well-being. Quality assurance and improvement are both necessary components of an effective quality management system.

**2. How does the Quality Assurance & Quality Improvement in Home and Community Based Services (HCBS) grant opportunity fit into the President's New Freedom Initiative?**

The President's *New Freedom Initiative* includes directives to increase accountability and address quality of care issues in home and community-based services. This initiative will assist states to design better systems of Quality Assurance/Quality Improvement and establishes CMS-defined quality expectations for waiver and non-waiver home and community-based services. You may refer to Section III.V.C beginning on page 46 of the HHS Report to the President, entitled *Progress on the Promise*, for more information on how Quality Assurance/Quality Improvement systems relate to the *New Freedom Initiative*. This report may be found on our website at <http://www.cms.hhs.gov/newfreedom>.

**3. What is the purpose of this grant opportunity?**

The purpose of the Quality Assurance & Quality Improvement in Home and Community Based Services (HCBS) grant opportunity is to provide states with the opportunity and federal assistance to (a) fulfill their commitment to assure the health and welfare of individuals who participate in the state's HCBS waivers under section 1915(c) of the Social Security Act, (b)

develop effective and systematic methods to meet statutory and CMS requirements by use of ongoing quality improvement strategies, (c) develop improved methods to enlist individuals and community members in active roles in the quality assurance and quality improvement systems, (d) develop systems that assure quality of life as well as health and safety, and (e) develop data-driven Quality Assurance/Quality Improvement systems.

Although surveys, certification of providers, and inspection activities are vital in any quality assurance system, this initiative is primarily focused on helping states develop a balanced approach that relies on building quality into the design of the system, involving multiple “real-time” methods of feedback and information-gathering (in addition to periodic inspection processes), involving program participants and community members in active roles in the quality management system, and making effective use of quality improvement processes.

#### **4. Can direct services be provided under this grant?**

Systems Change grants are intended to fund infrastructure development and are generally not intended to fund services. In the case of this grant category, up to 10% of funds awarded to a state may be used for direct services. For example, if a state is developing a system for emergency backup of supports, it might pilot test various arrangements that have a 24-hour a day, 365-day a year capability to provide emergency backup. Some direct services would be provided for the pilot, so that data could be collected. That data would then provide the state with the necessary information to extend the pilot statewide and make enduring systems change.

#### **5. Can funding be used to defray expenses of citizens or consumer monitors?**

States may elect to involve consumers in the monitoring process. If a state involves consumers in the monitoring process and facilitates their involvement, we will consider the costs of these activities to be administrative expenses (i.e., such costs will not count toward the 10% cap for direct services to consumers). The state would determine the means for involving consumers in the monitoring process.

#### **6. Are there specific requirements for developing/expanding a Quality Assurance/Quality Improvement system under this grant?**

Yes. Applicants must utilize the *HCBS Quality Framework* in the design of its Quality Assurance/Quality Improvement system in HCBS and must include at least one activity designed to improve the ability of the state’s Quality Assurance/Quality Improvement system to both (a) involve program participants in active roles in the quality assurance system and (b) obtain primary data directly from program participants through direct human interaction. Finally, we encourage states to consider utilizing appropriate tools to obtain information directly from program participants and others, such as (but not limited to) the CMS-developed Participant Experience Survey (PES) that is available on our web site at <http://www.cms.hhs.gov/medicaid>.

#### **7. What is the HCBS Quality Framework?**

The *HCBS Quality Framework* consists of four functions that are important in any Quality

Assurance/Quality Improvement system and seven focus areas that merit attention in HCBS programs. The four functions in a Quality Assurance/Quality Improvement system are: design, discovery, remediation, and systems improvement. The seven focus areas for HCBS programs are participant access, participant-centered service planning and delivery, provider capacity and capabilities, participant safeguards, participant rights and responsibilities, participant outcomes and satisfaction, and system performance.

**8. How can I obtain a copy of the HCBS Quality Framework?**

A copy of the *HCBS Quality Framework* is available on our web site at:  
<http://cms.hhs.gov/medicaid/waivers/82902ltr.pdf>.

**9. Must a state address all HCBS Quality Framework functions and focus areas in the grant project?**

No. CMS recognizes that building a comprehensive quality system takes time and requires priority setting based on individual state circumstances. Within the context of the Real Choice Systems Change grant application, we expect applicants to justify their choices, with regard to which of the *Framework's* focus areas they will address with the grant project.

**10. How can consumers and other stakeholders be involved in this grant project?**

Individuals with a disability and other stakeholders should have continuous, active involvement in the project's design, implementation, and evaluation. Opportunities for involvement might include membership in the project's advisory board, as a project staff person, and/or as part of a direct feedback loop to constantly evaluate quality.

**Integrating Long-term Supports with Affordable Housing**

**1. What is the purpose of the Integrating Long-term Supports with Affordable and Accessible Housing grant?**

The purpose is to remove barriers that prevent Medicaid eligible individuals of all ages from residing in the community in the housing arrangement of their choice.

**2. How does the Integrating Long-term Supports with Affordable and Accessible Housing grant relate to the President's New Freedom Initiative?**

The Integrating Long-term Supports with Affordable and Accessible Housing grant reflects the values of individual choice, independence, and community living inherent in the President's *New Freedom Initiative*. Critical to providing choice and having individuals with disabilities live a full, healthy life in the community is the availability of long-term supports and affordable housing. For these individuals, lack of access to either supports or affordable housing increases the risk for unnecessary admission to institutions, decline in physical and mental health, and an overall decrease in the quality of life.

### **3. Who can be served by this grant?**

Individuals with disabilities of all ages are acceptable target populations in this grant. There is no specific target population based on age or type of disability. It is required, though, to specify in the application who will be served.

### **4. Who may apply?**

This grant opportunity is open to state agencies that provide supportive services and/or affordable housing to individuals with disabilities (including seniors who require supports). Partnerships among the State Medicaid Agency, state service organizations, and housing agencies is a required component of this grant. Coordination with the State Medicaid Agency is essential. State agencies that provide support services include the State Medicaid, Aging, Mental Health, and Mental Retardation/Developmental Disabilities agencies. Housing organizations include the state housing agencies, public housing authorities, and/or other Federal, state, or local housing entities.

### **5. What must a partnership entail?**

Since the purpose of this grant is to improve the coordination of long-term supports with housing, the application must clearly demonstrate a partnership with the involved support agencies, and with the involved housing entities, and also describe the role of each partner. Partnership roles should be addressed in the work plan and staff sections of the proposal.

### **6. What are the essential components of the Integrating Long-term Supports with Affordable Housing grant?**

Required grant activities include (a) meaningfully involving consumers, stakeholders, and public-private partnerships in planning, implementation, and evaluation activities; (b) negotiating letters of agreement or memoranda of understanding that substantiate the partnership between the long-term support and housing sectors; (c) outlining in detail how the coordinated efforts will be maximized between the Single State Medicaid Agency, housing entities, and other service agencies, (d) utilizing dedicated administrative positions to improve access to, coordination of, and capacity of affordable and accessible housing with services; (d) setting efficiency and effectiveness goals and indicators; and (e) working with the CMS designated technical assistance entity in carrying out the activities of the proposal.

### **7. What are some of the required outcomes and products?**

The applicant must provide a description of the measurable outcomes and products of the project, which should include (a) qualitative and quantitative measures of improved access to affordable housing and long-term care supports and/or increased capacity of affordable housing coordinated with long-term supports; (b) evidence of infrastructure changes at the state and/or local levels that improve access to and coordination of housing and long-term supports; (c) efficiency and effectiveness goals and indicators; and (d) methods for sustainability.

## **8. What is the role of the “Housing Support Coordinator?”**

Applicants must have in place or develop dedicated positions to coordinate access and/or create capacity to affordable and accessible housing and long-term supports. The dedicated positions may be titled “Housing Support Coordinators” or other terms as determined by the state. They could work in a single-point-of-entry system, housing agency, Single State Medicaid Agency, or other state organization. The “Housing Support Coordinators” or other similarly titled positions are considered an administrative expense under this grant opportunity.

## **9. Should the grant propose to coordinate multiple options/models of services with housing?**

There is no requirement as to how many types or numbers of options must be addressed by the applicant. CMS recognizes states have their own unique needs, goals, and resources in regard to the issues addressed by this grant. Applicants are strongly encouraged to incorporate one of the following three components: 1) Develop a model for public housing with services that permits elderly residents to age-in-place and avoid or delay institutionalization; 2) develop a new or amended §1915(c) waiver or §1115 demonstration program that provides the long-term supports necessary to enable persons to live in the community, including accessing services that assist in the homeownership process; and 3) develop the state’s infrastructure to transition individuals from institutional settings to affordable housing in the community.

## **10. Can any of the Integrating Long-term Supports with Affordable Housing grant funds pay for housing costs?**

No. The grant funds can be used to assist with **accessing** affordable housing for individuals with disabilities, but cannot be used to pay for the rent or mortgage. Mechanisms in the grant that assist with accessing affordable housing include the development of housing registries, the use of “Housing Support Coordinators,” and the payment for transitional costs from an institutional facility (e.g. security deposit, moving costs).

## **11. Can grants funds be used to provide direct services?**

Yes. A maximum of ten percent (10%) of the grant award can be used to provide direct services. The relationship between the provisions of direct services to building the infrastructure components of the grant must be clearly delineated. For this grant opportunity, one time transitional expenses (e.g., security deposit, moving costs, etc.) will be considered direct service costs.

## **Portals from Early Periodic Screening, Diagnosis, and Treatment (EPSDT) to Adult Supports**

### **1. What is EPSDT?**

The EPSDT service is Medicaid's comprehensive and preventive child health program for individuals under the age of 21. EPSDT was defined by law as part of the Omnibus Budget Reconciliation Act of 1989 (OBRA 89) legislation and includes periodic screening, vision, dental, and hearing services. In addition, §1905(r)(5) of the Social Security Act (the Act) requires that any medically necessary health care service listed at §1905(a) of the Act be provided to an EPSDT recipient even if the service is not available under the state's Medicaid plan to the rest of the Medicaid population. More background information on EPSDT is available at <http://www.cms.hhs.gov/medicaid/epsdt/default.asp>.

## **2. What is the purpose of the Portals from EPSDT to Adult Supports grant opportunity?**

The purpose of the Portals from EPSDT to Adult Supports grant opportunity is to assist states in addressing the needs of children who have disabilities who receive community health services through EPDST and who are re-determined to be eligible for SSI/Medicaid at age 21 (or younger at the discretion of the state). CMS will assist states in (a) developing and implementing a state plan amendment, (b) developing a waiver or demonstration application to provide new supports to this population and implement enrollment into the waiver or demonstration, or (c) developing a waiver amendment application to expand either services or slots in the state's existing targeted disability waiver(s). These projects must include evidence coordination of with pertinent transition resources that are provided through the Social Security Administration (SSA), Department of Labor (DOL), or the Office of Special Education and Rehabilitation Services (OSERS).

## **3. How do the Portals from EPSDT to Adult Supports grant opportunity fit into the President's New Freedom Initiative?**

The President's *New Freedom Initiative* includes directives to reduce institutional bias and to promote independence, responsibility, and consumer-driven services. While states have substantially expanded home and community-based services, individuals with disabilities continue to face challenges in accessing services that support their ability to live in the community. The Portals from EPSDT to Adult Supports grant opportunity will allow states to address some of the barriers faced by children with disabilities who receive community health services through EPDST and who are re-determined to be eligible for SSI/Medicaid at age 21 (or younger at the discretion of the state) and to access the adult supports which would enable them to live in the community.

## **4. Can proposals under this grant opportunity target one eligibility group?**

Yes. States may submit a proposal that targets one or more eligibility groups.

## **5. Can direct services be provided under this grant opportunity?**

No. Systems Change grants are intended to fund infrastructure development and are generally not intended to fund services. Grant funds may be used for design and implementation activities under this grant program. Grant funds may not be used to finance current activities.

**6. What are some of the required outcomes and products under this grant opportunity?**

States will submit proposals to improve access to state plan or waiver services for children who receive Medicaid supports through EPSDT and who are determined eligible for SSI/Medicaid at age 21 (or younger at the discretion of the state). All Grantees must produce one product that is relevant to the proposal (i.e., a waiver amendment, waiver application, or state plan Amendment) by the end of the grant period. In addition, all Grantees are required to produce an implementation plan by the end of the grant period.

**Comprehensive Systems Reform Effort**

**1. What is the purpose of the Comprehensive Systems Reform Effort grant opportunity?**

The purpose of this initiative is to assist states to decrease their reliance on institutional services and increase the level of supports that are controlled by the individuals that receive them by supporting a comprehensive planning, designing, and implementation effort to reform their long-term care systems. This grant opportunity is distinguished from the Rebalancing Initiative grant opportunity in that it is intended to assist states in developing a comprehensive reform plan rather than a targeted rebalancing plan.

**2. How does the Comprehensive Systems Reform Effort grant opportunity fit into the President's New Freedom Initiative?**

The President's *New Freedom Initiative* includes directives to reduce institutional bias and to promote independence, responsibility, and consumer-driven services. While states have substantially expanded home and community-based services, individuals who would prefer to live in the community continue to reside in institutional settings. The Comprehensive Systems Reform Effort grant opportunity will allow states to develop and implement a comprehensive reform of their long-term care system that supports community living for individuals with a disability or long-term illness by removing barriers to (a) accessing community-based supports, (b) moving funds from allocations earmarked for institutional supports to home and community based supports, (c) remaining in the community for individuals with disabilities or long-term illnesses, (d) ensuring that services match the needs of beneficiaries, and (e) building quality management systems.

**3. Can direct services be provided under this grant opportunity?**

No. Systems Change grants are intended to fund infrastructure development and are generally not intended to fund services. Grant funds may be used for design and implementation activities under this grant program. Grant funds may not be used to finance current activities.

**4. Can proposals under this grant opportunity target a particular eligibility group?**

No. The purpose of this initiative is to assist states to comprehensively reform their long-term

care systems by decreasing their reliance on institutional services. Proposals that target one eligibility group would not result in a comprehensive system reform effort.

**5. What are some of the required outcomes and products under this grant opportunity?**

Grantees are required to produce a comprehensive reform plan and an implementation plan by the end of the grant period.

**6. Must a state propose to develop a reform plan that encompasses all the components listed in the grant opportunity?**

Yes. CMS expects that states that undertake a major initiative such as this will produce, by the end of the grant period, a reform plan that addresses all of the following components:

1. Coordinated Planning and Systems Management
2. Access
3. Finance: State Budgeting
4. Finance: Individuals Services and Supports
5. Type and Supply of Services
6. Quality Management
7. Evaluation Plan

**Mental Health: Systems Transformation**

**1. Who can apply for systems transformation grants?**

Only states may apply for this grant opportunity. Either the State Medicaid Agency or the Mental Health Authority may serve as the project lead. The Medicaid Agency and the Mental Health Authority must both endorse a state's grant application.

**2. What does “mental health systems transformation” mean?**

Mental health systems transformation means changing the form and function of the mental health service delivery system to better meet the needs of the individuals and families it is designed to serve.

**3. Can direct services be provided using mental health transformation grant funds?**

No. These funds are to be used to assist states to better align their Medicaid and mental health systems to collaborate with each other and other stakeholders.

**4. How can consumers and other stakeholders be involved in this grant project?**

Individuals with mental illness and/or substance use disorders should have continuous, active involvement in the project's design, implementation and evaluation. Opportunities for involvement might include membership in the group that creates a grant activity as well as



monitoring the quality of the activities from the implementation phase to the evaluation and conclusion of the grant activities.

## **5. What are evidence-based practices?**

Evidence-based practices for people with severe mental illness and or co-occurring substance use disorders are services that have demonstrated positive outcomes in multiple research studies. CMS has acknowledged support for 6 evidence-based practices in this area.

## **6. What are consumer-operated services?**

A consumer-operated service program is administratively controlled and operated by persons who have recovered or are in recovery from a personal experience of mental illness. The service emphasizes self-help as its operational approach, and is considered another type of recovery orientation supported by Medicaid.

## **7. What are recovery-oriented services?**

The goals of recovery-oriented mental health services are to assist the individual to (re)gain control over the central decisions in his or her life, develop the skills and relationships to have meaningful social roles, and effectively utilize non-institutional supports and coping strategies.

# **Rebalancing Initiative**

## **1. What is “Rebalancing”?**

“Rebalancing” means adjusting the state’s Medicaid programs and services to achieve a more equitable balance between the proportion of total Medicaid long-term support expenditures used for institutional services and the proportion of funds used for community-based support under its state plan and waiver services.

## **2. What is the purpose of the Rebalancing Initiative grant opportunity?**

The purpose of this initiative is to enable states to develop and implement strategies to reform the financing and service designs of state long-term support systems to decrease reliance on institutional forms of care and increase the utilization of community-based long-term supports. These rebalancing strategies are likely to include systems for increasing access to home and community based services and transitioning individuals out of institutions. This grant opportunity is distinguished from the Comprehensive Systems Reform Effort grant opportunity (also available under this notice) in that it is intended to assist states in developing a targeted rebalancing plan rather than a comprehensive reform plan.

## **3. Why are some states cautioned about applying for this grant opportunity?**

CMS emphasizes that it does not fund duplicative projects. Therefore, states that received a Money Follows the Person Rebalancing Initiative grant in FY 2003 (i.e., California, Idaho, Maine, Michigan, Nevada, Pennsylvania, Texas, Washington, and Wisconsin) who apply for a Rebalancing Initiative grant must clearly explain how their proposed activities do not duplicate currently funded CMS activities.

**4. Can direct services be provided under this grant opportunity?**

No. Systems Change grants are intended to fund infrastructure development and are generally not intended to fund services. Grant funds may be used for design and implementation activities under this grant program. Grant funds may not be used to finance current activities.

**5. Can proposals under this grant opportunity target a particular eligibility group?**

Yes. States may select one or more beneficiary groups for this project. It is not the intent of this grant opportunity to fund a nursing home transition initiative.

**6. Can states apply for more than one Rebalancing Initiative grant?**

No. This opportunity will fund the development of no more than one targeted rebalancing plan per state.

**7. What are some of the required outcomes and products under this grant opportunity?**

The required products for this grant opportunity are a targeted rebalancing plan and an implementation plan. These products are due by the end of the grant period.

**8. Must a state propose to develop a rebalancing plan that encompasses all the components listed in the grant opportunity?**

Yes. States should select a targeted issue to address with a rebalancing plan (for example, waiting lists for community-based services, services for a particular population to reduce reliance on institutional care, mechanisms to enable money to follow the person to the optimal setting, etc.) but proposals must address all of the following components:

1. Access to community-based long-term supports,
2. Financing of programs and services,
3. Services that are self-directed and include supports for transition from an institutional to community-based locus of support, and
4. Quality management mechanisms.

In addition, applicants are strongly encouraged to consider utilizing, as part of the implementation plan, the Medicaid Statistical Information System (MSIS) to capture enrollment data and to track service utilization.

## **LIVING WITH INDEPENDENCE, EQUALITY AND FREEDOM (LIFE) ACCOUNT FEASIBILITY AND DEMONSTRATION**

### **1. What are LIFE Accounts?**

LIFE Accounts are a proposed savings program whose intent is to enable people with a disability or chronic condition to maintain their health coverage and standard of living while allowing them to build savings for purchases that will increase their independence and productivity.

### **2. What is the purpose of the LIFE Account Feasibility and Demonstration grant opportunity?**

The purpose of the LIFE Account Feasibility and Demonstration grant opportunity is to enable States to conduct studies assessing the feasibility of developing LIFE Account savings programs. States may examine the feasibility of establishing and maintaining a program of individual savings accounts within which eligible Medicaid participants can build savings without affecting their eligibility or benefit levels for the State's Medicaid, Supplemental Security Income (SSI), Social Security Disability Income (SSDI), or any other Federal assistance program. The LIFE Account savings program is intended to enable people with a disability or chronic condition to become more independent by allowing eligible participants the opportunity to save for needed supports without losing their health coverage.

### **3. How do LIFE Accounts fit into the President's New Freedom Initiative?**

The President's *New Freedom Initiative* includes directives to reduce institutional bias and to promote independence, responsibility, and consumer-driven services. The LIFE Account Feasibility and Demonstration grant opportunity will allow states to study the feasibility of developing a LIFE Account savings program.

### **4. Can direct services be provided under this grant opportunity?**

No. Systems Change grants are intended to fund infrastructure development and are generally not intended to fund services. Grant funds under this opportunity are to be used to complete feasibility studies and development activities that may be useful for future provision of the proposed LIFE Account savings programs. As part of these efforts, grant funds may be used to hire staff and/or contractors to assist in research, planning activities, and the creation of documents.

### **5. Can proposals under this grant opportunity target a particular eligibility group?**

Yes. A current design element of the proposed LIFE Accounts is that only individuals who are Medicaid-eligible, meet the Social Security definition of disability, reside in the community, and self-direct (for children, have a family member direct) all of their Medicaid, community-based, long-term supports will be eligible to establish a LIFE Account. Therefore, proposals should only target this anticipated eligible population for study.

**6. Can states apply for more than one LIFE Account Feasibility and Demonstration grant?**

No. This opportunity will fund no more than one LIFE Account Feasibility and Demonstration grant per state.

**7. What are the essential elements for the LIFE Account feasibility study?**

The feasibility study must include the following:

1. A description of the number and demographics of the state's population that would be currently eligible to participate in a LIFE Account savings program.
2. A description of the number and demographics of the state's population as anticipated that would be interested in participating in a LIFE Account savings program.
3. An analysis of barriers to increasing the number of individuals as anticipated who self-direct all of their Medicaid, community-based, long-term supports, strategies to address these barriers, and a projected timeline for implementing those strategies.
4. An analysis of barriers to implement a LIFE Account savings program as anticipated in the state, strategies to address these barriers, and a projected timeline for implementing those strategies.

**8. What are the essential elements for the LIFE Account implementation plan?**

Grant applications must outline plans to implement a LIFE Account savings program as anticipated. The application must identify elements (e.g., infrastructure, outreach, partnerships, etc.) that the state is likely to consider in developing a LIFE Account as proposed. The implementation plan, due at the end of the grant period, might describe activities designed to develop the tools, protocols, procedures, and other elements of the infrastructure needed to implement a LIFE Account savings program as anticipated.

**Family-to-Family Health Care Information and Education Centers**

**1. What is a Family-to-Family Health Care Information and Education Center?**

Family-to-Family Information and Education Centers (Family-to-Family) provide access to information and assistance for families with children with special health care needs (often at a community level). Specifically, Information and Education Centers (a) provide education and training opportunities for families with children with special health care needs, (b) develop and disseminate needed health care and HCBS information to families and providers, (c) collaborate with existing Family-to-Family Health Care Information and Education Centers to benefit children with special health care needs, and (d) promote the philosophy of individual and family-directed supports.

**2. What is the purpose of this grant opportunity?**

The purpose of the Family-to-Family grant opportunity is to provide assistance to families with children with special health care needs. Currently, health and long-term care systems are often complex and fragmented. Figuring out how to obtain services is difficult both for families who qualify for publicly funded supports and for those who can pay privately. Information and education centers can address these problems by making available information and education to families on how best to meet their health and long-term care needs, often through peer to peer supports.

**3. How do the Family-to-Family Information and Education Centers Grants fit into the President's New Freedom Initiative?**

The President's *New Freedom Initiative* includes directives to promote independence, responsibility, and consumer-driven services. Central to achieving these goals is the creation of an informed consumer. Information and Education Centers will inform and educate families ensuring maximum consumer involvement and independence.

**4. Is this grant opportunity affiliated with the Health Resources and Services Administration (HSRA) program with the same name?**

The two efforts are closely coordinated between CMS and HRSA. The CMS Family-to-Family Health Care Information and Education Centers Grants are separately funded from the HRSA projects. However, HRSA and CMS have been working collaboratively on these projects and are working to develop relationships among all Family-to-Family grantees.

**5. Can a state apply for a grant if they have already received either a HRSA or CMS Family-to-Family grant?**

No. Non-profit organizations in states that have already received a Family-to-Family grant from HRSA or CMS cannot apply for a CMS Family-to-Family grant in 2004. Thus, California, Florida, Maine, Minnesota, Tennessee, and Vermont and Iowa will not be eligible to apply for the CMS Family-to-Family grant because non-profit organizations in these states have previously been awarded a HRSA Family-to-Family grant. In addition, non-profit organizations in Alaska, Colorado, Indiana, Maryland, Montana, Nevada, New Jersey, South Dakota, and Wisconsin are not eligible to apply for a Family-to-Family grant because these non-profit organizations in those states received these grants in 2003.

**6. Could an organization that had previously not received funding from HRSA or CMS, but was from a state for which HRSA or CMS had provided a grant to another organization, apply for the CMS Family-to-Family grant?**

Non-profit organizations in states that have received HRSA or CMS Family-to-Family grants cannot apply; if one non-profit organization in a state has a Family-to-Family grant, no other non-profit organization in that state will be eligible to apply. Our intention is to allow states that have not previously had the opportunity to develop a family-to-family network through a federal grant program be given the opportunity to do so. We are viewing the arena as the state, rather than individual organizations.

**7. What is the difference between the Family-To-Family Health Care Information and Education Centers and the Aging and Disability Resource Centers (ADRC) grants?**

The Family-To-Family Health Care Information and Education Centers are organizations that use the power of families educating other families, while Aging and Disability Resource Centers are government financed efforts to streamline access to services and empower individuals to make informed choices. The Family-To-Family initiative is a vehicle to harvest a family's knowledge and make it available to others in a readily accessible way. Family Voices groups pioneered this approach and have developed web sites and educational programs for families to help other families, but this approach is not designed as an authoritative way of accessing the system (for example, it doesn't determine eligibility for public programs). Additionally, the Family-to-Family grants focus on one particular group (children with special health care needs), whereas the Aging and Disability Resource Centers are designed with a much more broad focus.

The Aging and Disability Resource Centers have a very broad focus in which information and assistance on long-term support is offered, and they have pathways for determining Medicaid eligibility. The ADRC grant program assists states to restructure how individuals access services so that they can receive needed services in a more timely fashion and can make better decisions about the supports they receive.

Having both a Family-to-Family Health Care Information and Education Center that serves children with special health care needs and an Aging and Disability Resource Center in the same area can benefit both groups of beneficiaries. By streamlining access and making information easily available, an ADRC can allow a Family-to-Family program to spend less time assisting families to navigate eligibility mazes and more time coping with the needs of their children. By providing families with information and peer support, Family-to-Family programs can help ADRCs ensure that these individuals can make informed choices.

**8. What is the anticipated award range for the Family-to-Family Health Care Information and Education Centers?**

The maximum that the grantee can receive is \$150,000 for the entire 3-year period. This amount is not per year, but represents the total over the 3-year period. This amount can be used in one year or divided over a budget period of up to 3 years as determined by the Grantee. The proposed project length should be reflected in the budget. Submitting a budget for more than \$150,000 in your application without clearly explaining the source of additional funds may result in lower scores on the application.

**9. Is there a target population?**

Yes. The Family-to-Family Health Care Information and Education grant program is designed to target families with children with special health care needs.

**10. Would a disease-specific nonprofit organization be eligible for a grant if the money is used for a technology prototype or demonstration project that would be expandable or applicable to other diseases and conditions?**

A disease specific nonprofit organization would be eligible for the grant, however, an application that focused on a small subpopulation would likely be scored lower in the area of significance than proposals that target a wider audience. A project that would be applicable to other diseases and conditions would increase the score of the project.

A competitive application is one that would be able to show how the project is relevant and useable for a broader array of families who have children with special health care needs. We want to provide families with tools, supports, and information on how to access and engage with major forms of support. In general, the broader the breadth of the proposal, the more competitive that application would be, however, a more narrowly focused proposal with great significance would also be competitive.

**11. Should each state submit only one application or could the Governor or the State Medicaid director endorse two or three applications from their state?**

Although several non-profit organizations within a state may apply, only one grant will be awarded per state. Each application must include a letter of endorsement from the State Medicaid Director or the Governor. We encourage multiple organizations to collaboratively submit one application. This would strengthen the application and thus increase the change of being selected, while eliminating competition among organizations within a state.

**National State-to-State Technical Assistance Program for Community Living**

**1. Who can apply for the National State-to-State Technical Assistance (TA) Program for Community Living?**

Any entity may apply for the National State-to-State Technical Assistance Program for Community Living.

**2. In planning for the budget, what expenses must this Grantee cover for the national meetings--it appears that each grantee must budget for travel/hotel, etc.? Will the TA Grantee then pay for meeting space, food, logistics, etc.?**

The Grantee will cover all expenses associated with non-Federal, non-grantee conference speakers, including travel, hotel accommodations, per diem costs, and speaker honorariums, if necessary. The grantee also covers all costs associated with conference meeting space, including audio-visual equipment and food services. Food services for the 2-3 days conference includes morning and afternoon breaks and luncheons (which may be box lunches). The Grantee is **not** responsible for hotel or travel expenses for participants who are recipients of Systems Change grants.

**3. Is a 5% match required for this grant opportunity?**

The 5% match is required of all Systems Change grantees, including the National State-to-State Technical Assistance Program for Community Living. This required match might be met through a non-financial contribution as noted on page 34 of the solicitation package.

**4. In proposing consultants and collaborating organizations, is a letter of proposed collaboration sufficient or do specific consultant names have to appear in the budget? We would hope to choose appropriate resources based on the needs of the grantees.**

Please refer to page 70 of the solicitation package regarding “Collaboration, Agreements, and Capacity.” Please also refer to page 68 of the solicitation package regarding “Background and Prior Experience.” The application must demonstrate the applicant’s prior involvement and practical experience in developing or improving systems for community living for people of any age with a disability or long-term illness. If the applicant is relying on consultants to demonstrate this experience, the application should discuss the consultant’s abilities to provide technical assistance to the target audiences.

**5. Regarding the list of consultants that is to be developed: Is it the expectation that a list is to be developed of resources that Systems Change Grantees can engage at their own expense, or is it the expectation that the TA Grantee will develop a cadre of consultants whose costs will be covered by the TA grantee?**

As stated on page 27 of the solicitation package, we do not expect any one organization to possess all required expertise for all target groups. We do expect that a successful applicant will demonstrate the commitment of a significant number of highly knowledgeable individuals and organizations that will round out the host organization’s expertise. Therefore, any and all services furnished for or on behalf of the National State-to-State Technical Assistance Program for Community Living Grantee are to be covered by the Grantee.